

## Message Text

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ORIGIN STR-07

INFO OCT-01 ISO-00 STRE-00 ARA-10 AGRE-00 CEA-01  
CIAE-00 COME-00 DODE-00 EB-08 FRB-03 H-01 INR-10  
INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00  
AID-05 SS-15 ITC-01 TRSE-00 ICA-11 SP-02 SOE-02  
OMB-01 DOE-15 /111 R

DRAFTED BY STR/JTSTEWART/MFD  
APPROVED BY STR/JTSTEWART  
COM/NMORGAN  
EB/GCP/DFINNERTY  
-----029363 060936Z /21

P R 051533Z JUL 78  
FM SECSTATE WASHDC  
TO AMEMBASSY BRASILIA PRIORITY  
INFO USMISSION GENEVA  
AMCONSUL RIO DE JANEIRO  
AMCONSUL SAO PAULO

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E.O. 11652: N/A

TAGS: ETRD, GATT, BR

SUBJECT: GATT ARTICLE XXVIII NEGOTIATION WITH BRAZIL

REF: (A) GENEVA 9434 (B) SAO PAULO 1814

1. PARA 2 CONTAINS RECOMMENDATION SECTION OF TPSC 78-85.  
IF BOTAFOGO IS STILL IN BRASILIA, EMBASSY SHOULD CONVEY  
TO HIM SUBSTANCE OF PARAS (1) - (8) (EXCEPT OF COURSE, FOR  
FALLBACK ON APPLES/PEARS) IN PREPARATION FOR NEXT NEGOTIA-  
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TING ROUND IN GENVA. FULL TEXT OF TPSC 78-85 WILL BE HAND-  
CARRIED TO MISSION (LAVOREL) JULY 5 AND POUCHED TO OTHER  
ADDRESSEES.

2. RECOMMENDATION:

(1) THE U.S. REPRESENTATIVE SHOULD INDICATE OUR ACCEPTANCE  
OF BRAZIL'S OFFER TO BIND TARIFFS ON THE FOLLOWING ITEMS AT  
THE INDICATED RATES:

B TN SHORT DESC. CURRENT REQUEST OFFER

38.14.02.01 TETRAETHYL LEAD 12 20 20  
 #40.02.99.04 POLYCHLOROBUTADIENE 20 30 30  
 90.10.18.00 PHOTOCOPIERS FOR OPTIC 30 30 30  
 SYSTEMS  
 ##32.09.02.05 ANTI-CORROSION PAINTS 55 30 30  
 ##90.28.99.00 MEASURING, CHECKING, 15 8 15  
 ETC. INSTRUMENTS

(2) THE U.S. REPRESENTATIVE SHOULD ASK BRAZIL TO IMPROVE ITS OFFER ON THE FOLLOWING ITEMS WHICH WERE INCLUDED IN BRAZIL'S ORIGINAL WITHDRAWAL LIST:

B TN SHORT DESC. CURRENT OFFER REQUEST

84.05.02.00 STEAM TURBINES 15 45 15  
 (PREVIOUS GATT BINDING WAS 10PCT  
 84.60.02.01 CHILL MOULDS 20 45 20  
 (PREVIOUS GATT RATE WAS 20 PCT)

(3) THE U.S. REPRESENTATIVE SHOULD REQUEST LOWER BOUND RATES FOR THE FOLLOWING ITEMS;

B TN SHORT DESC. CURRENT OFFER REQUEST

40.14.04.00 DISC, WASHER, GASKET OF 85 85 45  
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UNHARDENED VULCANIZED  
 RUBBER  
 ##84.56.10.02 OTHER WASHING & MIXING 30 30 15  
 MACHINERY  
 ##85.01.02.01 ALTERNATING CURRENT 55 50 30  
 GENERATORS  
 ##85.01.05.01 GENERATING SETS 55 50 30  
 ##85.01.12.01 SYNCHRONOUS MOTORS 70 65 35  
 85.21.12.00 GERMANIUM, COPPER OXIDE 15 45 15  
 DIODES  
 90.24.06.00 PRESSURE REGULATOR 15 45 15  
 ##90.28.14.00 INSTRUMENTS FOR MEASUR- 37 37 20  
 ING ELECTRICAL QUANTI-  
 TIES

(4) THE U.S. REPRESENTATIVE SHOULD INDICATE TO THE GOB OUR WILLINGNESS TO ACCEPT BRAZIL'S OFFER OF A GLOBAL (LESS LAFTA) TARIFF-RATE QUOTA, FROM AUGUST 1 THROUGH DECEMBER 31, IF BRAZIL WILL CHANGE ITS OFFER SO THAT THE SPECIAL 15 PERCENT DUTY APPLIES TO 7,000 MT OF PEARS AND 3,000 MT OF APPLES. (A FALLBACK TO 6,000:4,000 FOR PEARS:APPLES IS ACCEPTABLE.) IMPORTS ABOVE THOSE LEVELS WOULD BE ASSESSED

THE CURRENT DUTY OF 32 PERCENT. THE USG SHOULD EXPRESS ITS CONTENTION THAT THE PRIOR IMPORT DEPOSIT IS A TEMPORARY MEASURE AND OBTAIN GOB CONFIRMATION OF THAT POSITION.

(5) THE U.S. REPRESENTATIVE SHOULD INDICATE THAT THE ITEMS IN ATTACHMENT I OFFERED BY BRAZIL ARE OF LITTLE OR NO INTEREST TO US.

(6) THE U.S. REPRESENTATIVE SHOULD REQUEST THAT BRAZIL GIVE FURTHER CONSIDERATION TO IMPROVING ITS OFFER FOR

THE ITEMS IN ATTACHMENT II.

(7) GIVEN THE FACT THAT THE CONCESSIONS IN RECOMMENDATIONS LIMITED OFFICIAL USE

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1-4, ATTACHMENT II AND THE INITIAL GOB OFFER (PRODUCTS ALREADY ACCEPTED PER TPSC 78-74) TOTAL SIGNIFICANTLY LESS THAN THE DESIRED COMPENSATION OF \$200 MILLION, THE U.S. REPRESENTATIVE SHOULD URGE THE GOB TO RECONSIDER OUR EARLIER REQUESTS FOR WHICH IT HAS NOT MADE AN OFFER AND ADVISE THE GOB THAT BASED ON ITS RESPONSE, THE U.S. MAY MAKE ADDITIONAL REQUESTS FOR COMPENSATION.

(8) THE U.S. REPRESENTATIVE SHOULD INSIST ON A COMMITMENT FROM BRAZIL THAT IMPORT LICENSES FOR THE ITEMS ON WHICH CONCESSIONS ARE GRANTED BE ISSUED PROMPTLY WITHOUT ANY RESTRICTIONS. WITHOUT SUCH A COMMITMENT WE CANNOT CONCLUDE THIS ARTICLE XXVIII NEGOTIATION WITH BRAZIL.

(9) AT THIS STAGE OF THE NEGOTIATIONS, THE U.S. REPRESENTATIVE SHOULD NOT INDICATE OUR WILLINGNESS TO CONSIDER SPECIFIC CEILING BINDINGS. (FYI ITEMS IN ATTACHMENT II APPEAR TO BE ONES THAT, AT FURTHER STAGE OF THE NEGOTIATIONS, WE MIGHT CONSIDER FOR CEILING BINDINGS.)

3. ATTACHMENT I

ADDITIONAL GOB OFFER, OF LITTLE INTEREST TO U.S.

B TN SHORT DESC.

|             |                                           |
|-------------|-------------------------------------------|
| 28.12.02.00 | BORIC OXIDE                               |
| 28.28.11.00 | NICKELOUS OXIDE                           |
| 29.06.11.99 | HYDROQUINOL                               |
| 29.06.16.00 | RESORCINOL                                |
| 29.09.01.00 | EPOCHLORHYDRIN                            |
| 39.01.02.09 | SILICONES                                 |
| 69.02.04.00 | SPECIALY SHAPED BRICKS FOR COKE OVENS     |
| 84.10.02.01 | HYDRAULIC RAMS                            |
| 84.28.04.00 | WEIGHTERS FOR CHECKING UNIFORMITY OF FAB- |
| 84.24.09.00 | EARTH ROLLERS RICS                        |
| 84.25.02.02 | WHEAT THRESHERS                           |
| 84.51.04.00 | CHEQUE-WRITING MACHINES                   |

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90.19.01.00 CORRECTIVE OR PROSTHETIC ORTHOPEDIC APPLI-  
90.19.02.00 SURGICAL BELTS ANCES  
90.19.03.00 PLATES AND SCREWS FOR USE IN BONE SYNTHETIC-  
90.24.01.00 NON-RECORDING LEVEL INDICATORS SIS

4. ATTACHMENT II

ITEMS FOR WHICH GOB CANNOT IMPROVE OFFER

B TN SHORT DESC. CURRENT OFFER EQUEST

29.09.04.00 POLYPROPYLENE OXIDE 15 45 30

29.14.03.02 VINYL ACETATE 37 45 30

38.14.01.00 ADDITIVES FOR LUBRICATING 17 47 30  
OILS

#40.02.99.06 POLYISOBUTYLENE ISOPRENE 20 50 30

84.22.09.00 SELF-PROPELLED CRANES 30 45 30

###87.01.01.0L SEMI-TRAILER TRACTORS 20 30 10

###90.19.00.00 ORTHOPEDIC APPLIANCES 15 15 0

#84.61.03.02 COPPER VALVES 55 50 35

#85.19.01.02 MAKE & BREAK SWITCHES 70 60 45

#85.19.07.99 OTHER RESISTORS 55 50 30

NOTE: IN THE TEXT # DENOTES ITEM PREVIOUSLY REQUESTED IN  
THE ART. XXVIII NEGOTIATION, ## ITEMS WHICH APPEARED ON  
U.S. TROPICAL PRODUCTS REQUEST, AND ### ITEM WHICH APPEARED  
ON U.S. MTN INDICATIVE LIST. VANCE

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** DIPLOMATIC REPRESENTATIONS, TRADE AGREEMENTS, NEGOTIATIONS, TARIFFS, TRADE CONCESSIONS, TRADE CONTROLS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 05 jul 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978STATE169207  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** JTSTEWART/MFD  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780277-0115  
**Format:** TEL  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1978/newtext/t19780794/aaaadbik.tel  
**Line Count:** 201  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 0e02fc7a-c288-dd11-92da-001cc4696bcc  
**Office:** ORIGIN STR  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 4  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 78 GENEVA 9434, 78 SAO PAULO 1814  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 05 may 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** N/A  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2113492  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** GATT ARTICLE XXVIII NEGOTIATION WITH BRAZIL  
**TAGS:** ETRD, BR, US, GATT  
**To:** BRASILIA GENEVA MULTIPLE  
**Type:** TE  
**vdkgvwkey:** odb://SAS/SAS.dbo.SAS\_Docs/0e02fc7a-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
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20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014